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## Establishment of the Nigerian Railway Corporation

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# Establishment of the Nigerian Railway Corporation

## **Cover Page Footnote**

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# Prelude to the Establishment of the Nigerian Railway Corporation, 1949-1955

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**Abstract:** Making use of previously unused Colonial Office records at the National Archives in Kew, including newspaper reports, interviews with staff of the Nigerian Railway, and debates in the Federal House of Representatives, this study examines the forces that dictated the establishment of the Nigerian Railway Corporation. It argues that the primary reason why the British colonial government established the corporation was to assist foreign interests in Nigeria by distancing itself from the direct management of labor relations between the Nigerian colonial state and the militant trade unions in the Nigerian Railway and other commercially oriented government departments. By placing the day-to-day management of these departments beyond the immediate reach of ambitious Nigerian nationalists who were anxious to quickly take over the control of the colonial state, the colonial government undermined the ability of local elite to build their weak economic base.

**Key words:** Nigeria, Railway, Ports, Labor Unions, Public, Corporations, and Management.

## Introduction

During and after the Second World War, Britain, holder of many colonies in Africa, was in a serious economic crisis.<sup>1</sup> In the last quarter of 1945, it owed more than £18,000 million,<sup>2</sup> and from 1947 to the early 1950s, it experienced a deteriorating financial crisis.<sup>3</sup> In order to solve these problems, Britain introduced a tight regime of import restrictions and a stringent dollar conversion program at home and in its colonies. Consequently, Britain's multi-dimensional socio-economic problems would later determine imperial and colonial economic policies from the late 1940s to the mid-1950s.<sup>4</sup> Within this period, the consensus of opinion in Whitehall was

<sup>1</sup>Eric Hobsbawm, *Age of Extreme, 1914-1991* (Middlesex, England: Penguin Books Ltd., 1994), 169-170.

<sup>2</sup>William. Roger Louis and R. Robinson, "The Imperialism of Decolonization," *Journal of Imperial and Commonwealth History* 22, no. 3 (September 1994): 464-465; Alan Milward, *War, Economy and Society 1939-45* (Berkeley: University of California, 1977), 71.

<sup>3</sup>Asher E. Hinds, "Sterling and Imperial Policy, 1945-1951," *The Journal of Imperial and Commonwealth History* XV, no. 2 (Jan. 1987): 148-149.

<sup>4</sup>Michael Havinden and David Meredith, eds., *Colonialism and Development: Britain and its Tropical Colonies, 1850-1960* (London: Routledge, 1993), 228.

that the resources of British colonies should be exploited to their maximum potential for the benefit of the empire. The tone of the new imperial economic policy was set by Sir Stafford Cripps, the Minister for Economic Affairs. Addressing the African Governors' Conference in November 1947, he stated:

The whole future of sterling group and its ability to survive depends in my view, on a quick and extensive development of our African resources. It is the urgency of the present situation and the need for sterling group...to maintain their economic independence that makes it so essential that we should increase...the tempo of African economic development and force the pace so that within the next 2 - 5 years we can get a really marked increase of production in coal, minerals, timber, raw materials of all kinds and foodstuffs and anything else that will save dollars or we will sell in a dollar market.<sup>5</sup>

One particularly important commodity Britain desired was groundnuts (peanuts), which was an important source of oils and fats for post-war Britain.<sup>6</sup> However, by early 1946, the world supply of oil and fats had become dangerously low, especially for Britain. In response, British Prime Minister, Clement Atlee, was forced to set up a ministerial committee on World Food Supply (WFS) under his chairmanship.<sup>7</sup>

Furthermore, due to food and raw materials shortages, Britain was plunged into a currency-convertibility-to-dollar crisis in August 1947. Consequently, Cripps formulated the above-mentioned policy. And to implement it, the government established two corporations: the Overseas Food Corporation (OFC) and the Colonial Development Corporation (CDC).<sup>8</sup> Whereas the CDC was "to promote schemes either to earn dollars through exports to the United States or to save dollars by producing raw materials for Britain," the OFC was to coordinate food production and increase supplies to consumers in Britain.<sup>9</sup>

Meanwhile Britain had not only suffered as a result of the war, but its

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<sup>5</sup>See National Archives, Kew, England (hereafter NA) CO852/989/3 Speech by the Right Honourable Sir Stafford Cripps, KC, MP, Minister for Economic Affairs to the African Governors' Conference on 12 November 1947.

<sup>6</sup>For instance, its production in Nigeria increased from the pre-war figure of 200,000 tons to more than 322,000 tons in 1946. See NA Prem 8/733 "Economic development in the colonies:" note by Mr. Creech Jones for Mr. Atlee Appendix I, February 5. 1948.

<sup>7</sup>NA Prem. 8/202 "WFS Lord President Mission to United States and Canada."

<sup>8</sup>See the Overseas Resources Development Act of 1948.

<sup>9</sup>NA CO 852/867/1: CEDC (47)7 "Note by the Chairman on the formation of a Colonial Development Corporation.

colonies had as well. Most of their socio-economic infrastructure was neglected during the conflict and was in need of restoration and modernization. Furthermore, there were shortages of essential capital goods. Yet, in order to provide the necessary raw materials for Britain, the infrastructure of the colonies required serious rehabilitation. In the particular case of Nigeria, there were still delays in the transportation of goods even when railway operations had been fully restored, especially the transportation of peanuts from Northern Nigeria to the southern ports. This development prompted the Colonial Office (CO) officials to wonder if Nigerian Railway's (NR) problems were not far more fundamental than the lack of essential equipment. This dilemma in turn caused officials to begin toying with the idea of the complete reorganization of NR.

## Literature Review

The construction, development, and the management of the Nigerian Railway (NR), which was started in 1895, constituted one of the cornerstones of British imperialism in Africa and in colonial Nigeria's political economy. Starting from that time and well into the postcolonial period, the NR was the largest employer of labor in the colony; and by the mid-1970s it had more than 30,000 staff.<sup>10</sup> But for the construction and development of the NR system, it would have been virtually impossible to bring together the many and different ethnic groups that now constitute Nigeria. Thus, the story of the NR is also that of Nigeria; without one the other would not have been possible.<sup>11</sup>

In view of these crucial roles of the NR in the development of Nigeria and the expansion of the British Empire, there is a considerable volume of historical literature on its pre-war and post-war periods. Completely missing from this literature, however, is the analysis of the background to the transformation of the NR into a public corporation. There is, therefore, a gap in the existing literature on the NR and Nigerian Railway Corporation (NRC). This present study therefore seeks to fill this gap. First, it is appropriate to review the extant literature on the NR and NRC to contextualize the study. To date, the two most prolific historians of

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<sup>10</sup>Nigerian Railway Corporation, *Report and Accounts for the Year Ended 31st March 1965* (Ebute-Metta: Nigerian Railway Corporation), 35.

<sup>11</sup>Tekena N. Tamuno, "Genesis of the Nigerian Railway II," *Nigeria Magazine* 84 (1965), 84; Francis. G. I. Omiunu, "The Role of Transport in Nation Building: the Case of Nigerian Railways," *Nigerian Magazine* 137 (1981), 7.

the NR and NRC are Olasiji Oshin<sup>12</sup> and Wale Oyemakinde.<sup>13</sup> Whereas Oshin has focused primarily on the political history of the railway institution, Oyemakinde has concentrated on its labor history. Other prominent historians of the organization include Tekena Tamuno,<sup>14</sup> Olufemi Omosini,<sup>15</sup> John M. Carland,<sup>16</sup> Lisa Lindsay,<sup>17</sup> and Francis Jaekel.<sup>18</sup> The first set of historical narratives on the NR was undertaken by the organization's officials. The first historical analysis was published in 1951 and was by J. Stocker, an official in the NR's publicity department. It was an overview of the development, achievements, and failures of the organization in its first fifty years of existence.<sup>19</sup> The next was also by the NR itself and was published in 1960, the year of Nigeria's independence. It was also a general overview of the historical development of the NR and its major milestones.<sup>20</sup>

The first broad and academic study of the NR, however, is the two-part article by Tekena Tamuno,<sup>21</sup> who traced the "genesis" of the NR and identified the major epochs in its development from the late nineteenth century to the 1960s. Tamuno's analysis, though academic, was in line with the official accounts of the NR; and

<sup>12</sup>See Victor. O. Oshin, "The Development of Railway Transport in Nigeria, 1880-1945," (Ph.D. Thesis, Obafemi Awolowo University, 1987); "Nigerian Railway under Stress, 1912-1945: a study in Colonial Planning and Management," *Odu: a Journal of West African Studies* (1990): 11-36; and "Road Transport and the Declining Fortunes of the Nigerian Railway, 1901-1950," *Journal of Transport History* 12, no.1 (March, 1991): 11-36.

<sup>13</sup>See J. O. Oyemakinde, "A History of Indigenous Labour on the Nigerian Railway, 1895-1945," Ph.D. Dissertation, University of Ibadan, 1970; "Michael Imoudu and the Emergence of Militant Trade Unionism in Nigeria, 1940-1942," *JHSN [Journal of Historical Society of Nigeria]* 7(1974): 541-561; "The Nigerian General Strike of 1945," *JHSN* 7 (1975): 693-710; and "The Railway Workers and Modernization in Colonial Nigeria," *JHSN* 10 (1979): 113-124.

<sup>14</sup>Tekena N. Tamuno, "Genesis of the Nigerian Railway I," *Nigeria Magazine* 83, December 1964, 279-292; "Genesis of the Nigerian Railway II," *Nigeria Magazine* 84, March 1965, 31-43.

<sup>15</sup>Olufemi Omosini, "Railway Projects and British Attitude towards the Development of West Africa, 1872-1903," *Journal of Historical Society of Nigeria* V, no. 4 (June, 1971): 491-507.

<sup>16</sup>John. M. Carland, *Colonial Office and Nigeria, 1898-1914* (London: Macmillan, 1985), especially 13-14, 135-165, and 166-183.

<sup>17</sup>Lisa Lindsay, "Putting the Family on Track: Gender and Domestic Life on the Colonial Nigerian Railway" (Ph.D. thesis, University of Michigan, 1996); "Domesticity and Difference: Male Breadwinners, Working Women, and Colonial Citizenship in the 1945 Nigerian General Strike," *American Historical Review* 104, no. 3 (1999): 783-812; and "'No Need...to Think of Home'? Masculinity and Domestic Life on the Nigerian Railway, c.1940-61," *Journal of African History* 39 (1998): 439-466.

<sup>18</sup>Francis. Jaekel, *The History of the Nigerian Railway*, 3 Volumes (Ibadan: Spectrum Books Limited, 1997).

<sup>19</sup>John Stocker, *Nigerian Railway Jubilee, 1901-51* (Ebute-Metta: Nigerian Railway Printer, 1951).

<sup>20</sup>*The Nigerian Railway Corporation, A Brief History of the Nigerian Railway Corporation* (Ebute-Metta: Nigerian Railway Corporation, 1960).

<sup>21</sup>Tamuno N. Tamuno, "Genesis of the Nigerian Railway II," *Nigeria Magazine* 84 (1965), 84

even those by Omosini, Carland, and Jaekel.<sup>22</sup> Nevertheless, Omosini disagrees with Tamuno's analysis that had traced the origins of railway developments in Nigeria to the time between 1889 and 1890. To Omosini, the origins of railway developments in West Africa should start from the 1870s,<sup>23</sup> when many interest groups in West Africa and Britain began to lobby the imperial government to grant them investment and loan guarantee, and approval to construct railway lines in the British West African colonies.<sup>24</sup>

Also writing on the political history of the NR, Carland, discusses the crucial role played by the officials of the Colonial Office in London, particularly that of the Secretary of State for Colonies, Joseph Chamberlain, in formulating and implementing policies and programs for the NR; and factors – financial and bureaucratic – that facilitated or constrained the construction and development of the first railway lines in Nigeria.<sup>25</sup> In later studies, Oshin and Jaekel extended the discourse on the political history of the NR much further. Whereas Oshin's studies on the planning, development, and the management of the NR focus on the period 1880 to the early 1950s, Jaekel's is a comprehensive survey of the first one hundred years of the institution; from 1899 to 1999. Jaekel's three-volume book is a disjointed discussion by a former colonial railway employee reminiscing on the "good old days" of colonial and postcolonial railway development and management in Nigeria.<sup>26</sup>

In contrast to the studies on the political history of the NR are those on its social and labor history, including those by Oyemakinde, Freund, and Lindsay.<sup>27</sup> Oyemakinde focuses primarily on the many related aspects of the history of indigenous labor throughout the NR system, from 1895 to the late 1945. He argues that the recruitment and management of indigenous Nigerian laborers were very crucial to the development of the NR; and that due to their discipline, skills, experience, organizational ability, and location in the economy, they were able to mobilize themselves and other workers in other sectors of the economy, to challenge the colonial authorities on many labor issues. On the other hand, Freund analyses the related issue of labor migration from the railway construction projects

<sup>22</sup>See Carland, 13-14, 135-165, and 166-183; Lisa Lindsay, "Putting the Family on Track: Gender and Domestic Life on the Colonial Nigerian Railway" (Ph.D. thesis, University of Michigan, 1996); Omosini, 146 and 491

<sup>23</sup>Omosini, 146 and 491.

<sup>24</sup>Ibid.

<sup>25</sup>Carland, 166-183.

<sup>26</sup>Jaekel,

<sup>27</sup>See Tamuno, "Genesis of the Nigerian Railway I" 279-292; Tamuno, "Genesis of the Nigerian Railway II," 31-43; Omosini, 146 and 491; Elizabeth Wrangham, "An African Road Revolution: the Gold Coast in the Period of the Great War," *The Journal of Imperial and Commonwealth History*. 32, no. 1 (January 2004): 1-5.

in Northern Nigeria into the tin mines of the Plateau area of Jos.<sup>28</sup> Lindsay has complemented the works of other labor historians by specifically studying “the varying and contested masculinity and domesticity...within workers’ communities [and] between family life and industrial relations” in the south-western part of Nigeria.<sup>29</sup>

As can be detected from the literature reviewed above, none of them has discussed the background to and the formation of the Nigerian Railway Corporation, a very critical development, which since 1955 has come to define the character, nature, and trajectory of post-war railway industry in Nigeria. This article argues that the main reasons for the conversion of the NR into a public statutory corporation was for the self-serving economic benefits of British imperialism and Western merchant capital in Nigeria, to enable British merchants have some control and influence over the management of the NR in the postcolonial period, and to ensure that the colonial government would be far removed from direct negotiations with the stubborn post-war railway workers.

The paper is divided into the following parts: development of the NR from the late nineteenth century to 1945; examination of the role of the NR in the management of Nigerian ports up to the early 1950s; identification and critical examination of the various interest groups ranged against the NR vis-à-vis its management of the ports and the factors responsible for the removal of them from the NR’s control; and the, discussion of the important role played by European merchant capital, railway workers, British colonial and imperial officials, and Nigerian politicians in the creation of the (NRC).

### **Development of Nigerian Railway**

In 1898, the British and Nigerian colonial governments began construction of Nigeria’s rail transport network. This was part and parcel of European “railway imperialism” of late nineteenth century Africa.<sup>30</sup> The first phase of Nigeria’s railway network, the Lagos Railway, started in 1898. The railway extended from Lagos (Iddo) on the south coast to Abeokuta and later Ibadan in 1901, a distance of about

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<sup>28</sup>William. M. Freund, “Labour Migration to the Northern Nigeria Tin Mines, 1903-1945,” *Journal of African History* 22 (1981): 73-84.

<sup>29</sup>Lindsay, ““No need ... to think of home?””, 439.

<sup>30</sup>Daniel. R. Headrick, *The Tools of Empire. Technology and European Imperialism in the Nineteenth Century* (Oxford: Oxford University Press, 1981); C. B. Davis and K. E. Wilburn Jnr, eds. *Railway Imperialism* (New York: Greenwood Press, 1991); and Colin Divall, “Railway Imperialisms, Railway Nationalisms” in M. Burri, K. T. Elsasser and D. Gugerli, eds. *Die Internationalität der Eisenbahn 1850 - 1970*, (Zurich: Chronos, 2003), 195-209.



120 miles.<sup>31</sup> From Ibadan, the line was extended to Jebba. In 1911, the Baro-Kano line in the northern part of the colony was completed and a year later joined with the Lagos Railway line at Minna. In 1915, the construction of Jebba Bridge across River Niger was completed, and necessitated the extension of southern railway to Kano in the north. In eastern Nigeria, the Port Harcourt line was constructed to Enugu in 1916 to assist in the transportation of coal from the Udi Hills, near Enugu, to other parts of the country.

Due to the completion of the Markudi Bridge, the Eastern Line finally reached Kaduna in 1932, which facilitated the crossing of River Benue. Further railway constructions were undertaken in phases, and by 1945 the rapidly developing rail network had reached Kaura Namoda in northwest Nigeria, and to Nguru, near Bornu, in the northeast (see Figure 1).

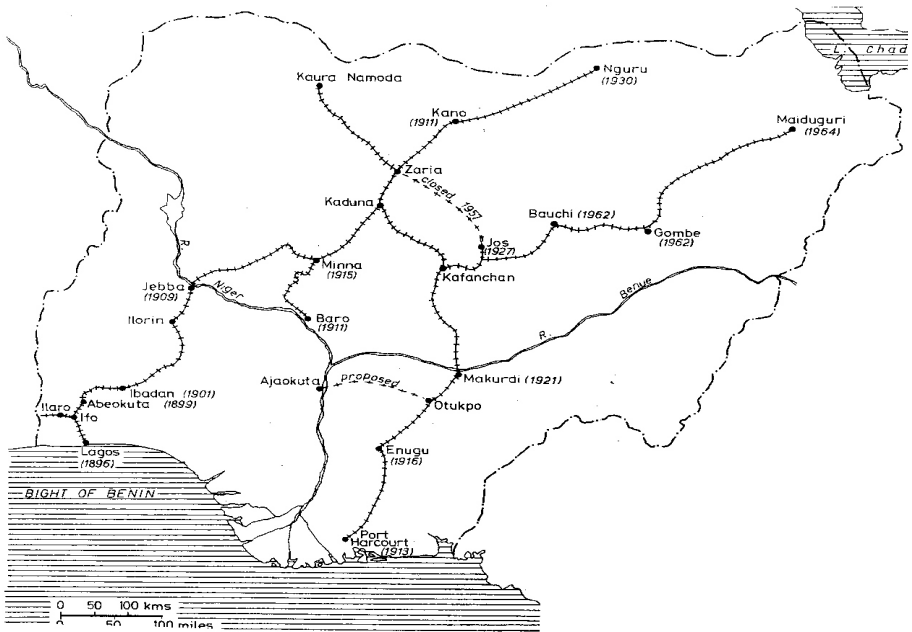


Figure 1: Map of Nigerian Railway network.

<sup>31</sup>Tokunbo A. Ayoola, "Political Economy of Rail Transportation in Nigeria, 1945-1985" (Ph.D. Dissertation, University of Manchester, 2004), 47.

From the late nineteenth century to 1955, the NR was owned and managed by the Nigerian colonial government and its day-to-day affairs were managed by the Nigerian Railway Department. Originally designed to carry up to 1.5 million tons of goods annually, on the eve of the Second World War, it was carrying a little more than 1.2 million tons, and by late 1945, it was carrying in excess of its installed capacity. For example in the 1944/45 financial year, it carried a total of about 1.7 million tons of goods.<sup>32</sup> Right from the first decade of the twentieth century to the early 1960s, when road transport overtook its rail counterpart in importance in Nigeria, railway was the backbone of the British colonial government-run economy, which was primarily based on import and export trade. In fact, rail routes were first constructed and well developed before modern road network in West Africa.<sup>33</sup>

Although the operation and management of the NR industry from 1901 to 1960, when Nigeria gained its independence, cannot be described as a great commercial success, the Nigerian Railway Department nonetheless recorded modest operating surpluses for several years. The highest of these before 1960 was in the 1958/9 financial year, when revenue reached £15.75 million, and a working surplus of £2,030,606 was achieved.<sup>34</sup> This good performance was followed a year later in 1960/1, by poor financial results; with a net operating deficit of £988,000.<sup>35</sup> However, in 1963/4 the Corporation achieved its best financial performance to date: revenue of about £16.30 million and a working surplus of about £2 million.<sup>36</sup> Thereafter the NRC's fortune began to decline rapidly from which it never recovered.<sup>37</sup>

### **Change of Government in Britain and NR**

Coupled with the poor state of railway fixed assets, NR's problems included a lack of locomotives, coaches, rolling stock, spare parts, and skilled and experienced European supervisory staff. Other thorny issues included ill-equipped workshops and poor management of labor relations.<sup>38</sup> All of these problems, which were not hidden from the Nigerian colonial government and its imperial counterpart in

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<sup>32</sup>*Report of Mission Appointed to Enquire into Production and Transport of Vegetable Oils and Oil Seeds Produced in West Africa Colonies*, Colonial No 211 of 1947.

<sup>33</sup>Wrangham, 1 - 5.

<sup>34</sup>Nigerian Railway Corporation, *Annual Report 1964/1965*. The amounts were in British pounds sterling.

<sup>35</sup>Ibid.

<sup>36</sup>Ibid.

<sup>37</sup>I. Ifedi, "Development Strategies for Nigerian Railway" <http://www.thisdayonline.com/archive/2002/06/21/20020621let01.html>

<sup>38</sup>For detailed discussions of these issues, see Ayoola, "Political Economy of Rail Transportation," 64-101.

London, proved insurmountable to the British Labour government in power from 1945 to 1951.<sup>39</sup>

This was not the case with the Conservative Government elected in October 1951. The regime was determined to proffer solutions to the "...poor planning and bad management"<sup>39,40</sup> in the NR. Its resolve further solidified when it discovered that at the beginning of the 1952/3 harvest season, about 150,000 tons of peanuts could not be transported from Kano to the coast.<sup>41</sup> Consequently, the Conservative Government began debating the idea of transforming NR into a commercially viable organization.

To fully comprehend the nature of NR's problems, Oliver Lyttleton, the new Secretary of State for Colonies, paid an official visit to Nigeria in May 1952. The degrading NR he discovered convinced him that drastic steps must be taken.<sup>42</sup> Back in London, he convinced CO officials that two fundamental changes were necessary.<sup>43</sup> First, it was essential that NR's organizational structure should be changed from a department of Nigerian civil service to a public corporation. Secondly, there was an urgent need to replace the seemingly incompetent and sluggish General Manager of NR, D. C. Woodward.<sup>44</sup>

However, the very idea of converting not only NR, but other commercially-oriented government departments into public corporations did not originate from London. The idea was first suggested by the Fitzgerald Commission.<sup>45</sup> Following the massacre of 21 coal miners by the Nigerian colonial police at the Iva Valley coal mines of the Enugu Colliery, the commission was set up by the Colonial Office(CO) in conjunction with the Nigerian government and headed by Sir William J. Fitzgerald, a former Chief Justice of Palestine and the Attorney-General of Northern Rhodesia. As part of its findings and recommendations, the commission blamed the management of the Colliery and the colonial state for the inefficient control of the labor disputes at Enugu. Foreseeing similar problems in other government departments, the Commission recommended that they also be converted into statutory public corporations.<sup>46</sup>

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<sup>39</sup>Ibid.

<sup>40</sup>NA CO 554/355 Movement of Nigerian Groundnut Crop. *Report for the Prime Minister by the Secretary of State*, 14 July 1952.

<sup>41</sup>Ibid.

<sup>42</sup>David J. Morgan, *The Official History of Colonial Development Vol.2 Developing British Colonial Resources, 1945-1951* (London: Macmillan, 1982), 201.

<sup>43</sup>Ibid.

<sup>44</sup>NA CO 554/611 Secretary of State for Colonies to Lord Leathers (Secretary of State for the Coordination of Transport, Fuel and Power), 4 July 1952.

<sup>45</sup>NA CO 537/5796 *Report of the Commission of Enquiry into the Disorders in the Eastern Provinces of Nigeria, November 1949*, 47

<sup>46</sup>Ibid.

## Management of Nigerian Port by NR before 1954

The need to convert NR into a corporation was further underscored by two developments in the late 1940s. In 1949, another commission of enquiry was set up to look into NR's operational problems.<sup>47</sup> Headed by H.F. Pallant, the Assistant Divisional Superintendent of the British Railways in York, this commission painted a picture of Nigerian rail transport maladministration in its 64-page "meaty" report. Furthermore, it recommended that fundamental changes be made to NR's organizational structure and procedures.<sup>48</sup>

The second development was the formation of the Strong Commission, which was asked to look into the functions of the Marine Department and the management of harbors in Nigeria, sectors where NR was a major player. Also, the Commission was mandated to make recommendations that would assist in setting up "a more or less autonomous body for example on the 'Port Trust'<sup>49</sup> model, which is found in the Port of London or Liverpool."<sup>50</sup> Prior to the setting up of the Strong Commission, the management and control of the two major ports of Nigeria, Lagos, and Port Harcourt, both of which handled more than fifty percent of Nigerian import and export trade, was without proper coordination.<sup>51</sup> For example, there were no less than five separate bodies in charge of the operational aspects of Lagos port in 1941. These included NR, Customs Department, Marine Department, Port Department, and Public Works Department.<sup>52</sup> Each was not only involved in revenue collection, but port maintenance as well. In addition to these organizations, there were several foreign commercial and shipping interests operating at the ports. The implication of this development was that it bred petty jealous and stiff competition among the various organizations, as they sought to outdo one another.

Although there were many bodies operating at the Lagos Port, the most powerful was NR, which foreign commercial and shipping groups believed was manipulating its management of Nigerian ports for its own selfish interests at the expense of "genuine" port interests.<sup>53</sup> Hence, foreign interests led by the United

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<sup>47</sup> *Report on the Operating Problems of the Nigerian Railway 1949* (Enugu: Government Printer 1950).

<sup>48</sup> *Ibid.*, 31-36.

<sup>49</sup> In practical term, this is a semi-autonomous port managed by a Board of Management, but whose overall control is under the central government.

<sup>50</sup> NA CO 583/301/8 A.N. Strong assisted by A.W. Flere, *Report on Ports of Nigeria* (Lagos, 1949). A. N. Strong, the former chairman of the Colombo Port Commission and the Ragoon Port Trust, headed the commission.

<sup>51</sup> Ayodeji Olukoju, "Background to the Establishment of the Nigerian Ports Authority: the Politics of Port Administration in Nigeria, c.1920-1954," *International Journal of Maritime History*, IV, no. 2 (December 1992): 170-171.

<sup>52</sup> *Ibid.*, 173.

<sup>53</sup> *Ibid.*, 162.

African Company (UAC), began criticizing NR's inefficiency at the ports.<sup>54</sup>

It was largely due to such criticisms and the apparent lack of direction at the two major ports that the government decided to set up the Strong Commission to examine the situation and offer solutions. The Commission found that the administration of the port was indeed inefficient, and criticized the NR for not making a sufficient number of railway wagons available to transport imported goods out of the ports into the hinterland.<sup>55</sup>

Based on these problems, the Strong Commission recommended that there should be unified control of all port operations under a Board of Management, a Port Trust, whose executive functions should be carried out by the Nigerian Marine Department.<sup>56</sup> Following the recommendations of the Strong Report, four alternative proposals on NR and ports administration emerged.<sup>57</sup> They were:

1. there should be a single corporation to manage and control the NR, all the ports in the colony, and to carry out all the duties hitherto performed by the Marine Department;
2. there should be a single corporation, but made up of two statutory sub-committees, each of which would run Port Harcourt and the Lagos Port;
3. there should be separate port authorities for Lagos and Port Harcourt, and British companies in Nigeria, should manage the smaller ports; and
4. there should be two separate corporations – one responsible for the ports and inland waterways, while the other would manage the NR. However, coordination between the two would be effected through cross membership of their boards of management.<sup>58</sup>

The possibility of removing NR's hegemony at the Ports was too hard for Woodward to accept. He therefore sought to defend his organization's indictment

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<sup>54</sup>UAC was the largest European commercial conglomerate in West Africa at the time. A subsidiary of Lever Brothers Limited, it was established in 1929 after the amalgamation of many other European firms operating in West Africa.

<sup>55</sup>NA CO583/301/8 *Report on Ports of Nigeria*, 2-3.

<sup>56</sup>NA CO583/301/8 A.N. Strong assisted by A.W. Flere, *Report on Ports of Nigeria* (London: HMSO, 1949) Section 27. Under the new arrangement, all ports in Nigeria, including the smaller ones like Forcados, Warri, Burutu, Koko, and Calabar, which the big British commercial businesses were using exclusively, were now to be unified under one single Board of Management.

<sup>57</sup> NA CO 583/301/8 "Minutes of a meeting in the Development Secretary's Office on the 23rd of August 1950 to discuss the form of port authority to be set up following the recommendations of the Strong Report" enclosed in Acting Governor of Nigeria to Secretary of State for Colonies, Savingram No 2528 of 11 October 1950.

<sup>58</sup>Ibid.

by the Strong Report.<sup>59</sup> While not disagreeing with the recommendation that multiplicity of control at the ports should be removed, he was opposed to the establishment of a rival authority to NR to manage them. Thus, to prevent a drastic reduction in NR's influence, he put forward new proposals.<sup>60</sup> Since NR was desirous of controlling and managing Lagos Port and Port Harcourt, Woodward did not object to the recommendation that both ports should be joined together with other minor ports and managed by a single port authority, provided NR would control the new authority. This position contradicted its original submission to the Strong Commission, which was that an autonomous Port Trust should not be established.<sup>61</sup>

On the other hand, expatriate European firms in Nigeria organized together as an interest and pressure group, the Association of West African Merchants (AWAM),<sup>62</sup> and opposed NR's proposal on the new port authority.<sup>63</sup> Consequently, the colonial government was caught in a dilemma, and initially seemed unsure how to implement Strong Report's recommendations. Whatever course of action, both the Nigerian and British imperial governments were going to implement the report. They could not afford to ignore the interests and opinions of European merchant capital embodied in AWAM, which was certainly not a run-of-the-mill group of politically weak European firms in Africa.

During the post-war period, AWAM members were not only well entrenched in West African economy, they were well funded.<sup>64</sup> In fact, some half a dozen AWAM members controlled not less than seventy-five percent of the sub-region's

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<sup>59</sup>NA CO 583/301/8 "Minutes of a Meeting held at Government House on the 1st September, 1950, to discuss the form of Port Authority to be set up following the recommendations of the Strong Report." Enclosed in Memorandum on *Report on Ports of Nigeria* by Strong and Flere' sent to the Colonial Office, 11 October 1950.

<sup>60</sup>Ibid.

<sup>61</sup>Ibid.

<sup>62</sup>AWAM was established during the First World War as a pressure group of British and French companies in West Africa. In its first incarnation, its main goal was to assist the European companies in coordinating policies and influencing colonial governments. This was for the purpose of gaining advantage over their African and Levantine competitors. Some of its members included United African Company (UAC), John Holt and Company (Liverpool) Ltd., Shell Company of West Africa, British Bata Shoe Company, Nigerian Hardwoods Ltd., Taylor Woodrow Ltd., Elder Dempster Lines, CFAO, and SCOA. See Anthony G. Hopkins, *An Economic History of West Africa* (London: Longman Group Ltd), 259; David K. Fieldhouse, *Merchant Capital and Economic Decolonization: The United Africa Company 1929-1987* (Oxford: Oxford University Press, 1994), 127, 236; Josephine F. Milburn, *British Business and Ghanaian Independence* (London: C. Hurst, 1977), 5.

<sup>63</sup>This was not a new objective of the European firms in 1950. From the late 1930s, they had wanted to achieve this, but the exigency of the war made such call a diversion.

<sup>64</sup>Robert L. Tignor, *Capitalism and Nationalism at the End of Empire: State and Business in Decolonizing Egypt, Nigeria, and Kenya, 1945-63* (Princeton, New Jersey: Princeton University Press, 1998), 199.

imports and exports valued at between £300 to 400 million in the 1940s. Of this considerable volume of trade, UAC, a predominant player in Nigeria, had the largest share. Not only this, by the late 1940s, it had invested about £4 million pounds in the Nigerian trading sector. For most of AWAM, the total equity capital of its members operating in Nigeria was more than £20 million during the climax of the war.<sup>65</sup>

Economic muscle brought AWAM members many political privileges. For instance, they were represented on the executive and legislative councils in Nigeria and enjoyed tax exemptions that were not available to them in Europe and other colonies.<sup>66</sup> In addition, UAC's General Manager was not only a member of the Nigerian legislative council, but also had free access to the Governor of Nigeria.<sup>67</sup> Patronage of railway services by AWAM members in Nigeria was also very crucial to the economic well-being of NR in the 1940s and 1950s.<sup>68</sup> The NR's freight services enabled the companies to transport agricultural and mineral goods to the coast for export to Europe and imported manufactured goods into Nigeria's hinterland. These transactions provided substantial profits for Western capital in Nigeria.<sup>69</sup>

Aware of the economic muscle and the strategic position of AWAM members, a meeting was called on August 23, 1950 between Nigeria's Acting Development Secretary, H. R. E. Browne, and AWAM delegation comprised of G. Cotgreave (John Holt & Company (Liverpool) Ltd.), N. Kay and L. Passage (United Africa Co., Ltd), G. H. Neville (Elder Dempster Lines Ltd.), and R. C. Irving (Lagos Chamber of Commerce) "in order to ascertain their views on the various alternatives which had been put forward" for the reorganization of NR and the ports.<sup>70</sup> No single indigenous Nigerian political leader was, however, invited to take part in this meeting at which the final decision on the conversion of the NR into a statutory corporation was to be taken. At the end of the meeting, the consensus of opinion was that the NR and the ports should be reorganized into two separate statutory public corporations.<sup>71</sup>

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<sup>65</sup>Ibid, 200.

<sup>66</sup>Ibid.

<sup>67</sup>Fieldhouse, 27.

<sup>68</sup> Lauren van de Laan, "Modern Inland Transport and the European Trading Firms in Colonial West Africa," *Cahiers d'etudes Africaines* 21, no 4 (1981): 566.

<sup>69</sup>Ibid.

<sup>70</sup>NA CO 583/301/8 "Minutes of a meeting in the Development Secretary's Office on the 23rd of August 1950 to discuss the form of port authority to be set up following the recommendations of the Strong Report." Enclosed in Acting Governor of Nigeria to Secretary of State for Colonies, Savingram No 2528 of 11 October 1950.

<sup>71</sup>Ibid.

## **Creation of the Nigerian Ports Authority and the Nigerian Railway Corporation**

Eventually, the four proposals on the management of Nigerian ports and NR were discussed in the Council of Ministers and it was decided that two separate corporations should be established: one for managing all the ports, including the minor ports, and the second for NR. Although the decision to set up the two corporations was taken in 1950, the formal establishment of the Nigerian Ports Authority did not happen until 1954.<sup>72</sup> The restructure of the Nigerian Railway Corporation was completed in 1955.<sup>73</sup> On April 9, 1953, Ralf Emerson, an experienced British engineer, was appointed the General Manager/Chairman Board of Directors Designate of the proposed Nigerian Railway Corporation.

On 18 June 1953, Emerson left the United Kingdom for Nigeria to assume his new position. Pending the formation of the corporation, his primary duty was to serve as the technical adviser to the Nigerian Government on the establishment of the railway corporation in addition to serving as the General Manager of the existing NR. In this capacity, Emerson developed the policy proposals which formed the basis of the Nigerian Railway Corporation Parliamentary Bill that subsequently became the Nigerian Railway Corporation Ordinance.<sup>74</sup>

In a twist of irony, Emerson had the unique fortune of writing his own job descriptions while already in office. He did not shy away from fortifying the position of the Executive Chairman with considerable powers. Shortly after the formation of NRC, he assumed the exalted position of Executive Chairman of Board of the Corporation, as well as its General Manager. In fact, the Nigerian parliamentarians who debated and passed the NRC bill into law characterized the chairmanship as a “railway dictator.”<sup>75</sup>

On October 1, 1955, the ownership of the Nigerian Railway was formally transferred from the Nigerian Government to the new Nigerian Railway Corporation.<sup>76</sup> Under the Railway Ordinance, NRC was given monopoly power and responsibility to carry out railway activities in Nigeria and manage and provide reasonable facilities for the carriage of passengers and goods.<sup>77</sup> Furthermore, it was to control its expenditure in a practical manner where

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<sup>72</sup>NA CO 554/468 “Nigeria: Creation of a Port Authority,” 1951-53.

<sup>73</sup>NA CO 583/301/9 “Note on the Present Situation of the Nigerian Railway” prepared by the West African Department, Colonial Office, 2 February 1951.

<sup>74</sup>*Statement of the Policy Proposed by the Government for the Establishment of a Nigerian Railway Corporation* (Lagos: Government Printer, 1954), 3.

<sup>75</sup>Federal House of Representatives Debates, Session 1954/55 col. 864.

<sup>76</sup>Ibid.

<sup>77</sup>Nigerian Railway Corporation Headquarters’ Library Nigerian Railway Ordinance 1955 Section 15C.



annual revenues would be sufficient to meet all expenditures properly chargeable to revenue, and to direct the expansion of the railway system.<sup>78</sup>

### Justifications for a Railway Corporation

Although it was widely accepted from 1945 onwards that NR was in urgent need of reorganization and modernization, Nigerian political leaders were not given the opportunity – as seen above by their non-participation in the meeting – to be part of this very important process. This disproves the argument by Nigerian colonial government officials that public corporations set up in Nigeria beginning from early 1950s were solely for the economic well-being of Nigerians.<sup>79</sup> Rather, Britain's economic interests and those of Western capital were more paramount in deciding the nature, character, and purpose of public corporations in Africa in the late colonial period. It was in view of this situation that Mofutou Laleye, a Policy Analyst, argued that public corporations in Africa were indeed children of political expediency and crisis of confidence between European colonialists and colonial peoples.<sup>80</sup> This was unlike the rationale behind the nationalization of major industries in Britain, from where the public enterprise management model was copied. There, in the late 1940s to the 1950s, the Labour Government used its nationalization programs to reformulate new industrial policies.<sup>81</sup>

Eventually, Nigerian political leaders, who initially were not consulted on the matter and were opposed to the recruitment of Europeans to head the new organization, were won over by colonial officials. However, Nigerian support was predicated on the hope that the transformation of NR would curb its manifest inefficiency. To buttress this point, in April 1952, while NR annual financial

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<sup>78</sup>Ibid.

<sup>79</sup>See the Chief Secretary's address to the Legislative Council in March 1949, *Legislative Council Debates, March 1949*, 568. See also the speech of the Development Secretary when introducing the bill for the establishment of the first public corporation in Nigeria, the Electricity Corporation in Nigeria, *Legislative Council Debates, March-April 1950* (Lagos: Government Printer, 1950), 40. Some other writers also shared this view on the reasons for the setting up public corporations in Nigeria. For instance, A.H. Hanson, "Public Enterprise in Nigeria I Federal Utilities" *Public Administration*, 36 (Winter, 1958): 366-367; Ojetunji Aboyade, "Nigerian Public Enterprises as an Organizational Dilemma" in *Administration for Development in Nigeria*, ed. Paul Collins (Lagos: African Education, 1980), 83-98; and Sesan Ayodele, "Privatization of Public Utilities in Nigeria: an Economic Analysis of the Guided Privatization Policy," Nigerian Institute of Economic Research NISER Monograph Series No. 3, 2000 (Ibadan, 2000), 1-35.

<sup>80</sup>Moufoutou Laleye, "Public Enterprises as an Instrument of Crisis Management: its Particular Relevance to Underdeveloped Countries" in *Public Administration in Periods of Uncertainty*, ed. A.O Sanda (Lagos: Fact Finders International, 1992), 145-147.

<sup>81</sup>Robert Millward, "State Enterprise in Britain in the 20th Century," 8 unpublished paper; R. Kelf-Cohen, *Nationalisation in Britain The End of Dogma*, Second Edition (London: Macmillan, 1961), 14-24; N. Chester, *The Nationalisation of British Industry, 1945-1951* (London: HMSO, 1975), 1-8; and A. H. Hanson, ed., *Nationalisation: A Book of Readings* (London: Allen & Unwin, 1963), 12, 22-63.

estimates were being debated in the House of Representatives, the Minister of Transport, a Nigerian, Chief Bode Thomas of the Action Group Party, not only informed members with new thinking on NR - that is to turn it into a public corporation - but also that it would be alive to its responsibilities from that point forward. Many legislators heartily welcomed the new development.<sup>82</sup>

At another meeting of the House of Representatives on August 21, 1952, the Minister of Transport, Thomas, while reacting to the various comments of House members that centered primarily on NR's inefficiency and shoddy services on one hand and the need to construct more railway lines to members' constituencies on the other, stated that the Central government had decided in principle to establish an autonomous statutory corporation in place of the NR.<sup>83</sup> Thomas went further to state that:

I can assure Honourable Members... that the proposal [to set up a railway corporation] is already being fully examined by Government and is receiving serious considerations.<sup>84</sup>

Later he poignantly underscored the urgency and necessity of change in status for NR by arguing that: "If Nigeria does not determine the fate of the railway [NR]... then the railway will determine the fate of Nigeria."<sup>85</sup> Thomas merely stated the obvious: NR was still a very important backbone of the Nigerian import and export economy at the time. The initial consensus achieved on the part of Nigerian leaders vis-à-vis the issue of a new railway corporation would later break down during the peak of the decolonization process from 1954 to 1960. This was followed by increasingly scathing criticisms against the colonial government and foreign commercial interests. The latter were referred to as "dictators and usurpers" and advised to remove their stranglehold on the Nigerian economy and institutions,

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<sup>82</sup>This unqualified support cut across the three Nigerian regions and the three dominant political parties representing them in the Central Legislature. See Nigeria House of Representatives debates, First Sessions 14th-22nd August 1952, 336-340.

<sup>83</sup>For instance, Jaja Wachukwu, a member of the House of Representatives from the Eastern Region complained that only old and dilapidated coaches were being sent to his region. While supporting this assertion, other Eastern Regional members, including prominent politicians like E. Eyo, equally complained that food served to passengers on the eastern line was inferior. See *West Africa* of 12 April 1952. See also Nigeria House of Representatives Debates First Sessions 14th- 22nd August 1952, 336.

<sup>84</sup>Ibid.

<sup>85</sup>*West Africa*, 4 October 1952, 913.

including the NR, so they could be managed by Nigerians.<sup>86</sup>

However, there were many factors in Nigeria that were responsible for the transformation of the NR into a public enterprise. First, by the late 1940s, the colonial government was itself overburdened by its excessive centralization and bureaucratization of government service, of which the NR was an important component. Reflecting on the prospect of establishing a railway corporation, the Secretary of State for the Colonies stated "...it will also grant much needed relief to the Central Government machine in Nigeria from the great burden of work which is concentrated on it as present."<sup>87</sup> Due to centralization and sluggishness of the civil service bureaucracy, it was often difficult to make quick decisions on the NR, especially in the area of capital development. Thus, it was necessary to have a new organization that could operate outside the ambiance of the main civil service. Linked to this is that from the start of the Second World War to the mid-1950s, despite carrying more freight than its installed capacity, NR was not recording adequate net surpluses as can be seen in Table 1.

*Table 1: Nigerian Railway: Financial Results, 1939 – 1946 (£ Sterling)*

Year	Gross Receipts	Total Working Expenditure	Operating Surplus	Interest on Capital	Renewals	Surplus
1938-39	2,076,168	1,320,282	756,914	755,314	430,000	- 473,875
1939-40	2,024,741	1,221,967	806,572	766,275	430,000	- 326,471
1940-41	2,409,976	1,183,689	1,234,613	721,273	300,000	+ 223,230
1941-42	3,145,915	1,368,796	1,775,853	919,396	300,000	+774,750
1942-43	3,583,118	1,627,394	1,960,183	945,520	430,000	+ 869,412
1943-44	4,091,818	1,889,550	2,212,324	949,520	430,000	+ 147,650
1944-45	3,961,405	2,042,422	1,919,670	949,547	430,000	+ 661,716
1945-46	3,022,838	2,110,103	1,511,937	949,547	430,000	+ 409,973

Sources: *Nigeria Railway Annual Reports 1939-1946*.

In fact, most of its operating surpluses were used in paying debts or put into the

<sup>86</sup>Remi A. Fani-Kayode, Member of the House of Representatives representing Ife Division, during the debates on the Second Reading of the Nigerian Railway Corporation Ordinance, 1955, 4 April 1955. Federal House of Representatives Debates, Session 1954/55 columns 873; and Tignor, 236-239.

<sup>87</sup>NA CO583/301/8 Secretary of State for Colonies to Officer Administering the Government of Nigeria, Priority Saving No. 3815 of 24 November 1950.

“Renewal Fund,” which was set up for renewing the NR’s fixed capital or assets. In view of this financial performance, there was a need to keep down operational costs, especially labor costs. As many strikes, negotiations, and concessions to workers were escalating, to understand the management’s perspective, it is here noted that by 1952, the NR’s workforce was more than 30,000.<sup>88</sup> Hence, a corporation model of management would cut unnecessary bureaucracy and ensure that NR was run on a strict commercial basis.

Second, corporation-type organization relieved the colonial state of the burden of being the direct employers of railway workers while escaping from direct conflicts it was having with railway labor unions since the end of the war. Such was the nature and frequencies of these industrial conflicts that the operations and survival of the NR as a corporate organization was adversely affected. For instance in 1947 the Nigerian government was forced to concede in public that:

productive efficiency and power of movement of the Railway continues to be hampered by political and industrial unrest and much valuable time has had to be given to these matters by Administrative and Supervisory staff of employees when their attention was most desirable elsewhere; consequently the services of employees have been diverted from the efficient performance of their tasks to the detriment of production.<sup>89</sup>

The workers’ grievances included: lack of promotion, the domination of NR’s management by Europeans, racial discrimination, poor salaries and wages, non-implementation of agreements between railway unions and management, overwork, high-handedness by supervisors, and slow pace of the implementation of the “Nigerianisation” policy on staffing of NR.<sup>90</sup>

As a result of incessant railway workers’ strikes after 1945, the colonial government set up a commission of inquiry in 1949 to investigate and make recommendations on the labor situations in NR. Headed by a retired British judge, Justice Neville John Brookes, the commission found both the management and workers were intransigent in their relationship with one another. It noted that several of those interviewed spoke of “deterioration in industrial relations is not

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<sup>88</sup> *Annual Report on the Government Railway for the Financial Year 1952-1953* (Ebute Metta, Lagos: Railway Printer, 1953), 36.

<sup>89</sup> *Nigeria: Annual Report on the Government Railway for the Financial Year 1946-1947* (Ebute-Metta: Railway Press, 1947), 8.

<sup>90</sup> *Ibid.*

recent [phenomenon] but has continued progressively over several years.”<sup>91</sup> In view of such revelations, the Commission recommended a complete review of the existing machinery designed to resolve trade disputes and eliminate grievances.<sup>92</sup>

A few months after the commission submitted its report to the government, the workers again went on an organization-wide strike.<sup>93</sup> Against this backdrop, the government decided that the best way to solve the perennial NR’s labor crises “once and for all” was to turn it into a corporation. This way, the new body would be able to hire and fire its staff more easily than the civil service rules and regulations had allowed.

The Chief Secretary to the Nigerian Government underscored this point when he stated “...there were strong political reasons for establishing corporations to take over Government’s quasi-commercial activities. It was easier for such Corporations to handle labour disputes than it was for Government...”<sup>94</sup> The labor unions accurately read the mind and Machiavellian disposition of both the NR management and government. The workers openly opposed the proposed conversion for two reasons. First, the workers were very reluctant to transfer their services from the Nigerian Railway Department to a new, autonomous organization that, in a manner of speaking, was an uncharted territory.<sup>95</sup> Secondly, they were apprehensive that the new corporation might not give them the same kind of privileges, stability of tenure, and perks they were enjoying in the current NR.<sup>96</sup> The workers’ open attacks to the government’s plan for the NR troubled the former. In fact, Thomas, the Transport Minister characterized the workers’ criticisms as being “unfair” and their behaviour as “exceedingly astounding.”<sup>97</sup>

However, realizing the need for the new corporation to have some stability and industrial peace in the transition period, the government entered into negotiations with the workers. The government went into talks with the two largest unions, the Nigerian Union of Railwaymen (NUR) and Railway and Port Workers Union (RPWU). The purpose of the arbitration was to assure the workers that they would not lose anything in the new corporation. After weeks of debate, it was agreed by

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<sup>91</sup> See *Report of the Commission appointed by His Excellency the Governor to investigate and make recommendations regarding the labour situation on the Nigerian Railway* (Lagos: Government Press 1949); and *West Africa*, 25 November 1952, 1080-1082.

<sup>92</sup> *Ibid.*

<sup>93</sup> *Annual Report of on the Nigerian Government Railway, 1950/1951*, Lagos: Government Press), 36.

<sup>94</sup> NA CO 583/301/8 “Minutes of a Meeting held at Government House on the 1st September, 1950, to discuss the form of Port Authority to be set up ... enclosed in ‘Memorandum on *Report on Ports of Nigeria* by Strong and Flere.’”

<sup>95</sup> See *Daily Times*, March 3, 1953 and March 19, 1953, 3.

<sup>96</sup> *Ibid.*

<sup>97</sup> Nigeria House of Representatives Debates Second Session 3rd to 31st March and 1st April 1953. See particularly the debates of 3rd to 18th March 1953, 18.

both parties that the conditions of service of the workers in the new corporation would not be less than what they had enjoyed in the Railway Department. Having been assured of their status, the workers agreed that the new corporation should be formed.<sup>98</sup>

Another reason why statutory corporations were established in West Africa, according to CO and Nigerian Secretariat officials, was to ensure that “trusted” Nigerians could be carefully recruited into and entrusted with the joint management of sensitive organs of the colonial state.<sup>99</sup> This had been the thinking of government in 1950 when the Chief Secretary to the Nigerian Government justified the need for establishing public corporations when he stated:

and it [will] also enabled [sic] Nigerians to share in the management. This was a consideration that would become even more important when the changes proposed under the New Constitution came into effect, because it would mean that Departments responsible for the Corporations would not be accountable to Ministers.<sup>100</sup>

In fact, a year earlier, in March 1949, while addressing the Legislative Council, the Chief Secretary articulated the need for public corporations by saying: “I myself feel that almost the greatest advantage to this country in this new conception of public corporation ... is the advantage of Nigerian participation.”<sup>101</sup>

Finally, AWAM members specifically requested the Nigerian colonial government to develop social and economic infrastructure for the efficient exploitation of Nigerian resources. To achieve this, institutions, such as NR, should be reorganized into semi-autonomous corporate organizations. This call seems to have become imperative when Nigerians were demanding complete Nigerianisation of government and public service. Within this context, AWAM members concluded that their interests would not be well represented if Nigerians controlled the entire service. Thus, the establishment of corporations would provide the right opportunities for their representatives to sit as board members of

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<sup>98</sup>British Library - Nigerian Railway, *Report on the Government Railway for the Period 1st April-30th September 1955* (Lagos: Government Press), 24.

<sup>99</sup>See NA CO 583/301/8 “Minutes of a Meeting held at Government House on the 1st of September, 1950, to discuss the form of Port Authority to be set up.”

<sup>100</sup>Ibid.

<sup>101</sup>British Library: Nigerian Legislative Council debates, March 1949, 568.

the proposed statutory corporations.<sup>102</sup>

## Conclusion

This paper examined the crises that confronted British economy at the end of the Second World War and the decision by Whitehall that Britain's economy would be rebuilt through the exploitation of the economic resources of its colonies. This policy defined post-war economic development of the metropolis and colonies. To give practical effects to it in the colonies, efforts were made to rebuild social and economic infrastructure damaged or neglected during the war. A case in point was the Nigerian Railway, which after the war started receiving rolling stocks, but was still inefficient in the transportation of goods and passengers. Thus, it became imperative that the NR should be reorganized for efficiency and effectiveness.

After initial hesitations, all stakeholders involved with the NR-Nigerian political leaders, railway workers, colonial and imperial officials, and European merchants in West Africa - agreed that the organization should become a corporation. In the end, two crucial questions engaged the minds of the stakeholders: How would the NR be reorganized? Who would receive the benefit? In answering these questions, each of the actors was propelled by their own economic calculations. Although both the imperial and Nigerian colonial government officials openly declared that the transformation of the NR into a public corporation was mainly for the benefit of Nigerians, the truth is there were other self-serving reasons on the part of the colonial government and Western merchant capital. To begin with, the merchants wanted to exercise some direct control and influence over the management of these strategic organizations. Also, for the colonial government, the reorganization was not so much that the NRC would make profit, but as Cowen proves: "criteria for establishing colonial enterprise [were] neither of corporate profitability nor of colonial social welfare, but of vaguely defined propensities for dollar savings according to [the] British nation."<sup>103</sup> Thus, NR's transformation was geared towards serving Britain's overall economic interests. Furthermore, the government set up a corporation so that it would be able to distance itself from direct negotiation with "recalcitrant" railway workers and to simplify the hiring

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<sup>102</sup>The foreign business community stated this point when it was making its position known on the *Strong Report*. Suggesting how the boards of the transport corporations should be constituted, the shipping firms stated: "[t]he persons most concerned with the operation of the port are ship-owners. We proposed that there should be 3 representatives of the ship owners, to be nominated by the West African Lines Conference. We further suggest that the Importers and Exporters and Traders should be represented by 4 members who should be nominated having regard to their business activities only." See NA CO 583/301/8 Memorandum on the *Strong's Report* on the Ports of Nigeria prepared by the Elder Dempster Lines Limited, John Holt Line Limited and Palm Limited, 22 February 1950.

<sup>103</sup>Mike Cowen, "Early Years of the Colonial Development Corporation: British State Enterprise Overseas During Late Colonialism" *African Affairs* (1984): 64

and firing process for railway workers in the colony. Thus, overall performance of the Nigerian Railway Corporation between 1955 and 1960, when Nigeria first gained its independence, was not different from the pre-1955 period. Additionally, rather than labor crises getting reduced in the NR, they increased in number and complexity in the late colonial period, a situation that eventually forced the “Railway Dictator,” Sir Ralf Emerson, and other European officers out of the corporation in the first half of the 1960s.

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